

AMENDED IN ASSEMBLY JUNE 21, 2005

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 496

Introduced by Senator Kuehl
(Coauthor: Senator Ortiz)

February 18, 2005

An act to amend ~~Section~~ *Sections 14115.8 and 14132.47* of the Welfare and Institutions Code, relating to Medi-Cal, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 496, as amended, Kuehl. Medi-Cal: administrative claims.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care services. *The Medi-Cal program is partially governed and funded as part of the federal Medicare Program.*

Existing law requires the department to amend the state's Medicaid plan with respect to the billing option for services by local education agencies to ensure that schools are reimbursed for all eligible services that they provide that are not precluded by federal requirements.

Existing law establishes the Local Education Agency Medi-Cal Recovery Account in the Special Deposit Fund, to be used only to support the department in meeting the requirements of these provisions, and specifies a formula for funding and staffing activities provided for under these provisions.

Existing law provides that as of January 1, 2006, unless the Legislature enacts a new statute or extends the date beyond January 1, 2006, all funds in the Local Education Agency Medi-Cal Recovery Account shall be returned proportionately to all local education

agencies whose federal Medi-Cal funds were used to create the account.

This bill would repeal this provision requiring the proportionate return of all funds in the account. Because the Local Education Agency Medi-Cal Recovery Account is in the Special Deposit Fund, which is continuously appropriated, and this bill would eliminate the requirement that moneys in the Local Education Agency Medi-Cal Recovery Account be returned, as of January 1, 2006, to local educational agencies, thereby increasing moneys in the fund available to the department for these local educational agency provisions, the bill would make an appropriation.

Existing law authorizes the department to undertake all necessary activities to recoup matching funds from the federal government for reimbursable services that have been provided in the state's public schools. Existing law specifies various other activities that the department is required to perform regarding school-based Medicaid systems and local education agencies.

Existing law provides that certain of the provisions with respect to activities the department is required to perform shall become inoperative on January 1, 2006.

This bill would delete the provision making certain of these provisions inoperative on January 1, 2006, thereby extending the operation of those provisions, indefinitely.

Existing law authorizes the department to contract with each participating local governmental agency or each local educational consortium to assist with the performance of administrative activities necessary for the proper and efficient administration of the Medi-Cal program.

This bill would provide that local educational consortium contracts in effect as of January 1, 2006, shall not continue in effect beyond June 30, 2008. The bill would provide that at the expiration of local educational consortium contracts in effect as of January 1, 2006, the department shall enter into a new contract, not to exceed a 5-year term, with each local educational consortium through a competitive bid process. The bill would except from the competitive bid requirement local governmental agencies that contract with local educational agencies participating in the Administrative Claiming process. The bill would establish criteria for the evaluation of educational consortium contract proposals by the department.

The bill would require the department to develop templates of program materials for the Administrative Claiming process, and would provide that only program materials developed by the department shall be accepted for reimbursement of claims.

The bill would require the director, in consultation with the *State Department of Education*, to appoint an advisory committee to advise the department on Administrative Claiming policy for local educational agencies and would establish the term and qualifications of committee members and the duties of the committee.

Existing law requires each participating local educational consortium to be responsible for the local educational agencies in its service region that participate in the Administrative Claiming process.

This bill would authorize a local educational agency to request permission from the department to contract with a local educational consortium outside of the agency's service region and would revise certain requirements of a local education consortium.

This bill would prohibit the inclusion of hold harmless provisions in any contracts established between local educational agencies and local educational consortia pursuant to these provisions pertaining to administrative activities for purposes of the Medi-Cal program.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14115.8 of the *Welfare and Institutions*
- 2 *Code* is amended to read:
- 3 14115.8. (a) (1) ~~The~~ *Whenever appropriate, the department*
- 4 *shall amend the medicaid state plan with respect to the billing*
- 5 *option for services by local education agencies, to ensure that*
- 6 *schools shall be reimbursed for all eligible services that they*
- 7 *provide that are not precluded by federal requirements.*
- 8 (2) *The department shall examine methodologies for*
- 9 *increasing school participation in the Medi-Cal billing option for*
- 10 *local education agencies so that schools can meet the health care*
- 11 *needs of their students.*
- 12 (3) *The department, to the extent possible shall simplify*
- 13 *claiming processes for local education agency billing.*

1 (4) The department shall eliminate and modify state plan and
2 regulatory requirements that exceed federal requirements when
3 they are unnecessary.

4 (b) If a rate study for the LEA Medi-Cal billing option is
5 completed pursuant to Section 52 of Chapter 171 of the Statutes
6 of 2001, the department, in consultation with the entities named
7 in subdivision (c), shall implement the recommendations from
8 the study, to the extent feasible and appropriate.

9 (c) In order to assist the department in formulating the state
10 plan amendments required by subdivisions (a) and (b), the
11 department shall regularly consult with the State Department of
12 Education, representatives of urban, rural, large and small school
13 districts, and county offices of education, the local education
14 consortium, local education agencies, and the local education
15 agency technical assistance project. It is the intent of the
16 Legislature that the department also consult with staff from
17 Region IX of the federal Centers for Medicare and Medicaid
18 Services, experts from the fields of both health and education,
19 and state legislative staff.

20 (d) Notwithstanding any other provision of law, or any other
21 contrary state requirement, the department shall take whatever
22 action is necessary to ensure that, to the extent there is capacity
23 in its certified match, a local education agency shall be
24 reimbursed retroactively for the maximum period allowed by the
25 federal government for any department change that results in an
26 increase in reimbursement to local education agency providers.

27 (e) The department may undertake all necessary activities to
28 recoup matching funds from the federal government for
29 reimbursable services that have already been provided in the
30 state's public schools. The department shall prepare and take
31 whatever action is necessary to implement all regulations,
32 policies, state plan amendments, and other requirements
33 necessary to achieve this purpose.

34 (f) The department shall file an annual report with the
35 Legislature that shall include at least all of the following:

36 (1) A copy of the annual comparison required by subdivision
37 (i).

38 (2) A state-by-state comparison of school-based medicaid total
39 and per eligible child claims and federal revenues. The

1 comparison shall include a review of the most recent two years
2 for which completed data is available.

3 (3) A summary of department activities and an explanation of
4 how each activity contributed toward narrowing the gap between
5 California's per eligible student federal fund recovery and the per
6 student recovery of the top three states.

7 (4) A listing of all school-based services, activities, and
8 providers approved for reimbursement by the federal Centers for
9 Medicare and Medicaid Services in other state plans that are not
10 yet approved for reimbursement in California's state plan and the
11 service unit rates approved for reimbursement.

12 (5) The official recommendations made to the department by
13 the entities named in subdivision (c) and the action taken by the
14 department regarding each recommendation.

15 (6) A ~~one-year~~ timetable for state plan amendments and other
16 actions necessary to obtain reimbursement for those items listed
17 in paragraph (4).

18 (7) Identify any barriers to local education agency
19 reimbursement, including those specified by the entities named in
20 subdivision (c), that are not imposed by federal requirements, and
21 describe the actions that have been, and will be, taken to
22 eliminate them.

23 (g) (1) These activities shall be funded and staffed by
24 proportionately reducing federal Medi-Cal payments allocable to
25 local educational agencies for the provision of benefits funded by
26 the federal Medi-Cal program under the billing option for
27 services by local educational agencies specified in this section.
28 Moneys collected as a result of the reduction in federal Medi-Cal
29 payments allocable to local educational agencies shall be
30 deposited into the Local Education Agency Medi-Cal Recovery
31 Account, which is hereby established in the Special Deposit Fund
32 established pursuant to Section 16370 of the Government Code.
33 These funds shall be used only to support the department to meet
34 all the requirements of this section. ~~As of January 1, 2006, unless~~
35 ~~the Legislature enacts a new statute or extends the date beyond~~
36 ~~January 1, 2006, all funds in the Local Education Agency~~
37 ~~Medi-Cal Recovery Account shall be returned proportionally to~~
38 ~~all local educational agencies whose federal Medi-Cal funds~~
39 ~~were used to create this account.~~ The annual amount funded shall

1 not exceed one million five hundred thousand dollars
2 (\$1,500,000).

3 (2) Commencing with the 2003–04 fiscal year, funding
4 received pursuant to paragraph (1) shall derive only from federal
5 medicaid funds that exceed the baseline amount of local
6 educational agency medicaid billing option revenues for the
7 2000–01 fiscal year.

8 (h) (1) The department may enter into a sole source contract
9 to comply with the requirements of this section.

10 (2) The level of additional staff to comply with the
11 requirements of this section, including, but not limited to, staff
12 for which the department has contracted for pursuant to
13 paragraph (1), shall be limited to that level that can be funded
14 with revenues derived pursuant to subdivision (g).

15 (i) The activities of the department shall include all of the
16 following:

17 (1) An annual comparison of the school-based medicaid
18 systems in comparable states.

19 (2) Efforts to improve communications with the federal
20 government, the State Department of Education, and local
21 education agencies.

22 (3) The development and updating of written guidelines to
23 local education agencies regarding best practices to avoid audit
24 exceptions, as needed.

25 (4) The establishment and maintenance of a local education
26 agency friendly interactive Web site.

27 ~~(j) Subdivisions (c) to (i), inclusive, shall become inoperative~~
28 ~~on January 1, 2006.~~

29 SECTION 1.—

30 SEC. 2. Section 14132.47 of the Welfare and Institutions
31 Code is amended to read:

32 14132.47. (a) It is the intent of the Legislature to provide
33 local governmental agencies the choice of participating in either
34 or both of the Targeted Case Management (TCM) and
35 Administrative Claiming process programs at their option,
36 subject to the requirements of this section and Section 14132.44.

37 (b) The department may contract with each participating local
38 governmental agency or each local educational consortium to
39 assist with the performance of administrative activities necessary
40 for the proper and efficient administration of the Medi-Cal

program, pursuant to Section 1396b(a) of Title 42 of the United States Code, Section 1903a of the federal Social Security Act, and this activity shall be known as the Administrative Claiming process.

(c) (1) As a condition for participation in the Administrative Claiming process, each participating local governmental agency or each local educational consortium shall, for the purpose of claiming federal Medicaid matching funds, enter into a contract with the department and shall certify to the department the amount of local governmental agency or each local educational consortium general funds or any other funds allowed under federal law and regulation expended on the allowable administrative activities.

(2) The department shall deny the claim if it determines that the certification is not adequately supported for purposes of federal financial participation.

(3) (A) Local educational consortium contracts in effect as of January 1, 2006, shall not continue in effect beyond June 30, 2008. This subparagraph shall not apply to local governmental agency contracts.

(B) At the termination of any local educational consortium contracts in effect as of January 1, 2006, the department shall enter into new contracts with each local educational consortium through a competitive bid process. The department shall contract with local educational consortiums for a period of up to five years. The competitive bid process shall not apply to local governmental agencies that contract with local educational agencies participating in the Administrative Claiming process.

(C) In evaluating local educational consortium contract proposals, the department shall consider criteria that include, but are not limited to, all of the following:

- (i) Demonstrated outreach to local educational agencies.
- (ii) Fees charged by local educational consortiums.
- (iii) Fees charged by any preferred nongovernmental entities that subcontract with local educational agencies.
- (iv) Performance outcomes identified pursuant to paragraph (6).
- (v) Additional criteria that may be recommended by the advisory committee established pursuant to subdivision (z).

(D) The department shall require a local educational consortia to provide an annual report, which the department shall make available to the public through its *Internet* Web site. The report shall detail performance measures that include, but are not limited to, all of the following information:

(i) The extent of outreach to each potentially eligible local educational agency in the region.

(ii) The number of local educational agencies recruited to participate in the Administrative Claiming process.

(iii) The total and per pupil amounts of federal reimbursement dollars generated by the local educational consortium through the Administrative Claiming process.

(iv) The amount of money collected as fees from local educational agencies.

(v) The actual costs incurred by the local educational consortium in administering the claiming process.

(d) The department shall develop templates of program materials for the Administrative Claiming process, including program policy information, invoices, and a training curriculum that all participants shall use to participate in the Administrative Claiming process. Only program materials developed by the department shall be accepted for reimbursement of claims. Materials used by nongovernmental entities that subcontract with local educational agencies or local educational consortiums shall be consistent with materials developed by the department.

(e) Each participating local governmental agency or local educational consortium may subcontract with nongovernmental entities to assist with the performance of administrative activities necessary for the proper and efficient administration of the Medi-Cal program under the conditions specified by the department in regulations.

(f) Each Administrative Claiming process contract shall include a requirement that each participating local governmental agency or each local educational consortium submit ~~a claiming~~ *an operational* plan in a manner that shall be prescribed by the department in regulations, developed in consultation with the advisory committee established pursuant to subdivision (z).

(g) The department shall require that each participating local governmental agency or each local educational consortium certify to the department both of the following:

(1) The availability and expenditure of 100 percent of the nonfederal share of the cost of performing Administrative Claiming process activities. The funds expended for this purpose shall be from the local governmental agency's general fund or the general funds of local educational agencies or from any other funds allowed under federal law and regulation.

(2) In each fiscal year that its expenditures represent costs that are eligible for federal financial participation for that fiscal year. The department shall deny the claim if it determines that the certification is not adequately supported for purposes of federal financial participation.

(h) (1) Notwithstanding any other provision of this section, the state shall be held harmless, in accordance with paragraphs (2) and (3), from any federal audit disallowance and interest resulting from payments made to a participating local governmental agency or local educational consortium pursuant to this section, less the amounts already remitted to the state pursuant to subdivision (n) for the disallowed claim. *Hold harmless provisions shall not be included in any contracts established between local educational agencies and local educational consortia pursuant to this section.*

(2) To the extent that a federal audit disallowance and interest results from a claim or claims for which any participating local governmental agency or local educational consortium has received reimbursement for Administrative Claiming process activities, the department shall recoup from the local governmental agency ~~or~~ and the local educational consortium that submitted the disallowed claim, through offsets or by a direct billing, amounts equal to the amount of the disallowance and interest, in that fiscal year, less the amounts already remitted to the state pursuant to subdivision (m) for the disallowed claim. All subsequent claims submitted to the department applicable to any previously disallowed administrative activity or claim, may be held in abeyance, with no payment made, until the federal disallowance issue is resolved.

(3) Notwithstanding paragraph (2), to the extent that a federal audit disallowance and interest results from a claim or claims for which the participating local governmental agency or local educational consortium has received reimbursement for Administrative Claiming process activities performed by a

1 nongovernmental entity under contract with, and on behalf of, the
2 participating local governmental agency or local educational
3 consortium, the department shall be held harmless by that
4 particular participating local governmental agency or local
5 educational consortium for 100 percent of the amount of the
6 federal audit disallowance and interest, less the amounts already
7 remitted to the state pursuant to subdivision (n) for the
8 disallowed claim.

9 (i) The use of local matching funds required by this section
10 shall not create, lead to, or expand the health care funding
11 obligations or service obligations for current or future years for
12 any participating local governmental agency or local educational
13 consortium, except as required by this section or as may be
14 required by federal law.

15 (j) The department shall deny any claim from a participating
16 local governmental agency or local educational consortium if the
17 department determines that the claim is not adequately supported
18 in accordance with criteria established pursuant to this
19 subdivision and implementing regulations before it forwards the
20 claim for reimbursement to the federal Medicaid program. In
21 consultation with local government agencies and local
22 educational consortia, the department shall adopt regulations that
23 prescribe the requirements for the submission and payment of
24 claims for administrative activities performed by each
25 participating local governmental agency and local educational
26 consortium.

27 (k) Administrative activities shall be those determined by the
28 department to be necessary for the proper and efficient
29 administration of the state's Medicaid plan and shall be defined
30 in regulation.

31 (l) If the department denies any claim submitted under this
32 section, the affected participating local governmental agency or
33 local educational consortium may, within 30 days after receipt of
34 written notice of the denial, request that the department
35 reconsider its action. The participating local governmental
36 agency or local educational consortium may request a meeting
37 with the director or his or her designee within 30 days to present
38 its concerns to the department after the request is filed. If the
39 director or his or her designee cannot meet, the department shall
40 respond in writing indicating the specific reasons for which the

1 claim is out of compliance to the participating local
2 governmental agency or local educational consortium in response
3 to its appeal. Thereafter, the decision of the director shall be
4 final.

5 (m) Participating local governmental agencies or local
6 educational consortium may claim the actual costs of
7 nonemergency, nonmedical transportation of Medi-Cal eligibles
8 to Medi-Cal covered services, under guidelines established by the
9 department, to the extent that these costs are actually borne by
10 the participating local governmental agency or local educational
11 consortium. A local educational consortium may only claim for
12 nonemergency, nonmedical transportation of Medi-Cal eligibles
13 for Medi-Cal covered services, through the Medi-Cal
14 administrative activities program. Medi-Cal medical
15 transportation services shall be claimed under the local
16 educational agency Medi-Cal billing option, pursuant to Section
17 14132.06.

18 (n) (1) Each participating local governmental agency shall
19 contribute to the department a portion of the agency's general
20 fund that has been made available due to the coverage of
21 administrative activities described in this section under the
22 Medi-Cal program. The contributed funds shall be reinvested in
23 health services through the Medi-Cal program. The total
24 contribution amount shall be equal to $33\frac{1}{3}$ percent of amounts
25 made available under this section, but in no case shall the
26 contribution exceed twenty million dollars (\$20,000,000) a fiscal
27 year less the amount contributed pursuant to subdivision (m) of
28 Section 14132.44. Beginning with the 1994-95 fiscal year, each
29 local governmental agency's share of the total contribution shall
30 be determined by claims submitted and approved for payment
31 through January 1 of the following calendar year. Claims
32 received and approved for payment after January 1 for dates of
33 service in the previous fiscal year shall be included in the
34 following year's calculation. Each local governmental agency's
35 share of the contribution for the previous fiscal year shall be
36 determined no later than February 15 and shall be remitted to the
37 state no later than April 1 of each year. The contribution amount
38 shall be paid from nonfederal, general fund revenues and shall be
39 deposited in the Administrative Claiming Fund for transfer to the
40 Health Care Deposit Fund.

(2) Moneys received by the department pursuant to this subdivision are hereby continuously appropriated to the department for support of the Medi-Cal program, and the funds shall be administered in accordance with procedures prescribed by the Department of Finance. If not paid as provided in this section, the department may offset payments due to each participating local governmental agency from the state, not related to payments required to be made pursuant to this section in order to recoup these funds for the Administrative Claiming Fund.

(3) This subdivision shall only apply to claims approved for the 1994-95 to 1997-98 fiscal years, inclusive.

(o) As a condition of participation in the Administrative Claiming process and in recognition of revenue generated to each participating local governmental agency and each local educational consortium in the Administrative Claiming process, each participating local governmental agency and each local educational consortium shall pay an annual participation fee through a mechanism agreed to by the state and local governmental agencies and local educational consortia, or, if no agreement is reached by August 1 of each year, directly to the state. The participation fee shall be used to cover the cost of administering the Administrative Claiming process, including, but not limited to, claims processing, technical assistance, and monitoring. The department shall determine and report staffing requirements upon which projected costs will be based. The amount of the participation fee shall be based upon the anticipated salaries, benefits, and operating expenses, to administer the Administrative Claiming process and other costs related to that process.

(p) For the purposes of this section, “participating local governmental agency” means a county, chartered city, Native American Indian tribe, tribal organization, or subgroup of a Native American Indian tribe or tribal organization, under contract with the department pursuant to subdivision (b).

(q) For purposes of this section, “local educational agency” means a local educational agency, as defined in subdivision (h) of Section 14132.06, that participates under the Administrative Claiming process as a subcontractor to the local educational consortium in its service region.

(r) (1) For purposes of this section, “local educational consortium” means a local agency that is *selected by the department to represent* one of the service regions of the California County Superintendent Educational Services Association.

(2) Each local educational consortium shall contract with the department pursuant to paragraph (1) of subdivision (c).

(s) (1) Each participating local educational consortium shall be responsible for the local educational agencies in its service region that participate in the Administrative Claiming process. This responsibility includes, but is not limited to, the preparation and submission of all administrative-claiming ~~operational~~ plans, training of local educational agency staff, overseeing the local educational agency time survey process, and the submission of detailed quarterly invoices on behalf of any participating local educational agency. In addition, each local educational consortium shall inform all local educational agencies in its respective service region about the Administrative Claiming process and encourage local educational agencies to participate.

(2) Each participating local educational consortium shall ensure local educational agency compliance with all requirements of the Administrative Claiming process established for local governmental agencies.

~~(3) Ninety days prior to the initial participation in the Administrative Claiming process, each local educational consortium shall notify the department of its intent to participate in the process, and shall identify each local educational agency that will be participating as its subcontractor.~~

(t) (1) Each local educational agency that elects to participate in the Administrative Claiming process shall submit claims through its local educational consortium or through the local governmental agency, but not both.

(2) Each local educational agency participating as a subcontractor to a local educational consortium shall comply with all requirements of the Administrative Claiming process established for local governmental agencies.

(3) A local educational agency may request permission from the department to contract with a local educational consortium outside of the local educational agency’s service region. In reviewing these requests, the department shall consider whether

1 *the local educational agency could improve its level of*
2 *participation in the Administrative Claiming process due to any*
3 *of the following:*

4 *(A) Differences in the cost and scope of services between local*
5 *educational consortia, including, but not limited to, services*
6 *listed in paragraph (1) of subdivision (s).*

7 *(B) Closer geographic accessibility to a local educational*
8 *consortium outside of the local educational agency's service*
9 *region.*

10 *(C) Any additional factors the department determines could*
11 *improve participation levels.*

12 (u) For the purposes of this section, a “nongovernmental
13 entity” does not include an entity or person administered by,
14 affiliated with, or employed by a participating local
15 governmental agency or a local educational consortium.

16 (v) The requirements of subdivision (n) shall not apply to
17 claims for administrative activities, pursuant to the
18 Administrative Claiming process, performed by public health
19 programs administered by the state.

20 (w) A participating local governmental agency or a local
21 educational consortium may charge an administrative fee to any
22 entity claiming Administrative Claiming through that agency.

23 (x) The department shall continue to administer the
24 Administrative Claiming process in conformity with federal
25 requirements.

26 (y) The department shall provide technical assistance to all
27 participating local governmental agencies and local educational
28 consortia in order to maximize federal financial participation in
29 the Administrative Claiming process.

30 (z) (1) The director, in consultation with the Department of
31 Education, shall appoint an advisory committee to advise the
32 department on Administrative Claiming policy for local
33 educational agencies. *The purpose of the advisory committee is to*
34 *assist and advise the department in the implementation of the*
35 *Administrative Claiming process and to make recommendations*
36 *that it deems beneficial and appropriate as to how the*
37 *department may best serve the people of the state.* The duties of
38 the advisory committee shall include, but not be limited to, all of
39 the following:

1 ~~(A) Receiving and considering information, comments, and~~
2 ~~complaints from school districts regarding the Administrative~~
3 ~~Claiming process.~~

4 *(A) Establishing a process by which school districts and other*
5 *local educational agencies may submit information, comments,*
6 *and complaints regarding the Administrative Claiming process.*
7 *The process shall detail how the advisory committee will receive,*
8 *consider, and subsequently communicate this information to the*
9 *department for consideration.*

10 *(B) Developing recommended criteria for use in the local*
11 *educational consortium selection process pursuant to clause (v)*
12 *of subparagraph (C) of paragraph (3) of subdivision (c). The*
13 *department shall give great weight to recommendations made by*
14 *the advisory committee regarding the local educational*
15 *consortium selection process.*

16 *(C) Working with the department to develop program*
17 *materials.*

18 ~~(B)~~

19 *(D) Considering suggestions for streamlining and improving*
20 *the Administrative Claiming process.*

21 ~~(C)~~

22 *(E) Exploring the potential for automation to increase the*
23 *efficiency of the Administrative Claiming process.*

24 *(2) The advisory committee shall consist of ~~15~~ 16 members as*
25 *follows:*

26 *(A) Six representatives from school districts that are local*
27 *educational agencies, including two representatives from each*
28 *small, medium, and large school district.*

29 *(B) Two representatives from county offices of education that*
30 *are not local educational consortiums.*

31 *(C) One representative from the Los Angeles Unified School*
32 *District.*

33 *(D) One representative from a community college.*

34 ~~(D)~~

35 *(E) Two representatives from local governmental agencies that*
36 *contract with local educational agencies for administrative*
37 *claiming.*

38 ~~(E)~~

39 *(F) Four representatives from local educational consortiums.*

1 (3) The advisory committee shall be representative of urban,
2 rural, and suburban areas. All members of the committee shall
3 have significant background in administrative claiming and the
4 Medi-Cal program. All appointments to the advisory committee
5 shall be for three years. The initial appointments shall commence
6 on July 1, 2006.

7 (4) The advisory committee shall meet at least once per
8 quarter each year and at the request of the department or the chair
9 of the committee. The committee may establish its rules and
10 procedures, but shall adhere to open meeting laws, *including, but*
11 *not limited to, the Bagley-Keene Open Meeting Act (Article 9*
12 *(commencing with Section 11120) of Part 1 of Division 3 of Title*
13 *2 of the Government Code)*. All members shall serve without
14 compensation.

15 (5) At the request of the advisory committee, the department
16 shall consult with staff from Region IX of the federal Centers for
17 Medicare and Medicaid Services with respect to matters relating
18 to the Administrative Claiming process.

19 (aa) This section shall be applicable to Administrative
20 Claiming process activities performed, and to moneys paid to
21 participating local governmental agencies for those activities in
22 the 1994-95 fiscal year and thereafter, and to local educational
23 consortia in the 1998-99 fiscal year and thereafter.